

June 29, 2011

RFP 11-06
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSAL (“RFP”)

The Louisiana Public Service Commission (“Commission” or “LPSC”), issues this Request for Proposals (“RFP”) seeking proposals from independent consultants which will assist the Commission in identifying the extent of the deployment of Smart Grid and Advanced Metering Infrastructure (AMI) systems in Louisiana and obtain a footprint of this activity in Louisiana. The Commission reserves the right to reject any proposal, to decline to accept a proposal at all, or to decline to undertake these reviews at this time.

I. Overview

The Department of Energy (DOE) completed awards for 31 AMI grants worth \$817 million under the American Recovery and Reinvestment Act (ARRA) Smart Grid Investment Grant Program. The ARRA AMI grants support projects with a total value of \$2 billion in 29 states. The project are focused on providing AMI to retail consumers and, in some cases, information and pricing mechanisms that will allow consumers to reduce their energy use and costs, and improve the reliability of systems.

The DOE also awarded \$2.1 billion of funding under the ARRA Integrated and/or Crosscutting Systems Grant Program to support 39 demonstration projects that focus on adding intelligence and integrating smart grid and AMI capabilities in specific utility transmission and distribution systems throughout the United States.

In addition, the DOE awarded grants supporting 16 regional demonstration projects that include smart meters in nine states. These large demonstration projects are designed to provide industry with business models, data to assess technical capabilities, and actual cost and benefit information associated with integrating these systems and components on a network level.

In order to assist Public Utility Commissions with enhancing their capacity to quickly and effectively review additional proposed electricity projects, the DOE awarded State Electricity Regulators Assistance (SERA) grants to 49 states, in the amount of \$44.2 million, under ARRA. On August 25, 2009, the Louisiana Public Service Commission (LPSC) applied for SERA grant funds made available under the American Recovery and Reinvestment Act (ARRA) of 2009. The request for this grant was approved on September 25, 2009.

Our objective is to utilize SERA Grant funds to obtain the services of a consultant who will provide the LPSC with a report that provides a summary/overview of which electric utilities operating in the State of Louisiana have undertaken Smart-Grid/Advanced Metering Infrastructure (AMI) Projects, including some overall regulatory and policy information regarding Smart-Grid/AMI. This report is to include the investor owned electric utilities, electric cooperatives and electric municipal systems which operate within the State of Louisiana in order to identify the extent of the deployment of these AMI systems and obtain a footprint of this activity in Louisiana.

II. Scope of Representation

Applicant will be required to conduct an impartial, independent review into the various issues regarding the deployment of AMI within the State. Upon conclusion of the review, the Applicant will prepare a comprehensive report on the findings which would include Smart-Grid/AMI Project activities of utilities regulated by the LPSC, as well as those either regulated by municipalities, or subject to the jurisdiction of governmental entities. The Applicant shall provide a report by utility which includes, but is not necessarily limited to the following list of topical issues.

- A. Definition of Terms and Acronyms used in the report.
- B. Federal and State legislation and regulatory actions related to AMI/Smart-Grid Projects.
 - 1. Background information regarding Federal Policy related to AMI/Smart-Grid Projects in Louisiana.
 - 2. Background information regarding Louisiana Policy related to AMI/Smart-Grid Projects.
 - 3. Available tax incentives/ARRA funds that have been utilized and are still available.
- C. AMI/Smart Meters industry trends.
- D. Security Issues: Address/discuss to what degree security (i.e. cyber security, privacy issues/concerns) of AMI/Smart-Grid is a concern, and what level of security should be designed in the system.
 - 1. Address/discuss Smart Grid cyber security concerns.
 - 2. Address/discuss Consumer data privacy and security concerns.

3. Address/discuss Federal and State Regulatory policy issues pertaining to the Security of Smart Grid/Advanced Meters.

E. Executive summary

The Applicant shall provide a report by project which includes, but is not necessarily limited to the following list of topical issues.

F. Project specific information

1. Type of entity: LPSC-regulated, municipal, etc.
 - a. Regulatory approvals required
 - b. Status and/or outcome of regulatory approvals
2. Scope of project
 - a. Pilot or permanent
 - b. Number of meters
 - c. Geographical size of the project (square mile, area, etc.)
 - d. Cost of the project
 - e. Initial cost estimate versus final costs and reasons for variance
3. Status of project
 - a. Timeline for installation/implementation

III. Period of Representation

The time period (“Period of Representation”) estimated to complete the Scope of representation is approximately 4-8 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility regulation, and similar practice before other regulatory agencies or public utility commissions.

All proposals shall include an outline of a plan of action for collecting required information, together with estimated time-lines and separate fees and costs associated with each phase of the representation. However, in the event an applicant is chosen, Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

V. Estimate of Cost

All applicants responding to the Request for Proposal shall quote their rates on an hourly Basis and shall also submit a total budget, which shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's rates and budget shall not be altered.

VI. Conflict of Interest

Previous or current employment which could result in a conflict of interest shall be prominently and separately disclosed. In addition, applicants shall disclose matters in which they currently represent private clients before the Commission.

VII. Billing Guidelines

All bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

VIII. Submission of Proposals

Interested parties should submit the **original (hard copy), 6 copies, and e-mail an electronic copy** of the proposal to:

Attention: Lisa Boudreaux
Louisiana Public Service Commission
Office of the General Counsel
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-1418
Fax: (225) 342-5610
Email: lisa.boudreaux@la.gov

To be considered, an original, six (6) copies, and the electronic copy of the proposal must be received on or before **September 6, 2011**. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-1418.